



Iowa Department of Human Services

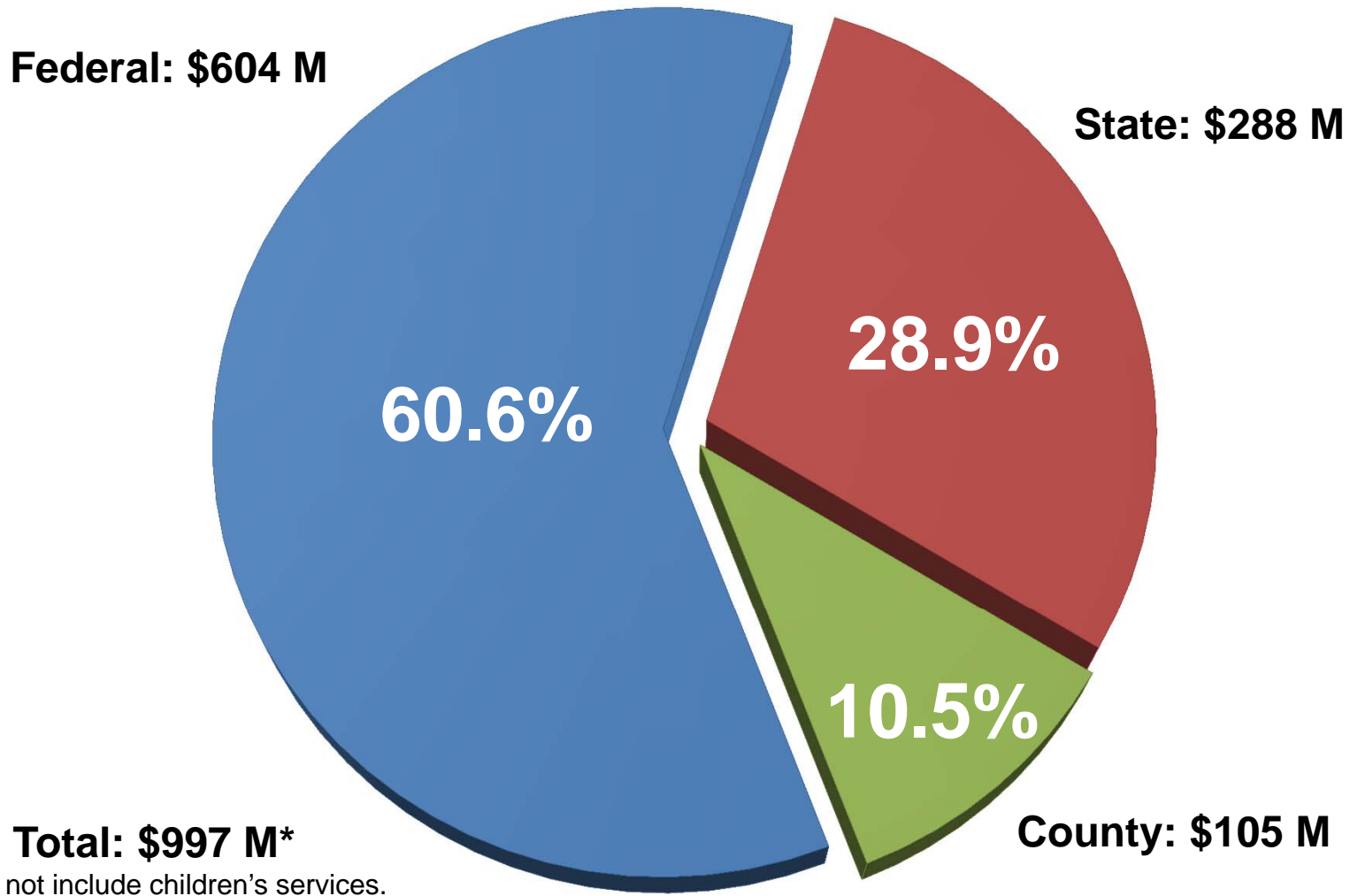
# Overview

Financing of Iowa's  
Adult Mental Health and  
Disability Services

# Purpose:

- Identify the funding sources for adults with
  - Mental illness
  - Intellectual/developmental disabilities
  - Brain Injury
- Identify expenditures by population
- Identify methods of service payment by funding source
- Level of funding needed

# How much money is spent?



# *What are the sources of funding?*

## **Federal Sources of Funding**

- Medicaid
- Mental Health Block Grant
- Social Services Block Grant
  - *Local Purchase \**
  - *Disaster Program\**
- Money Follows the Person Grant

*\* These funds are allocated to and managed by the counties.*

# State Sources of Funding

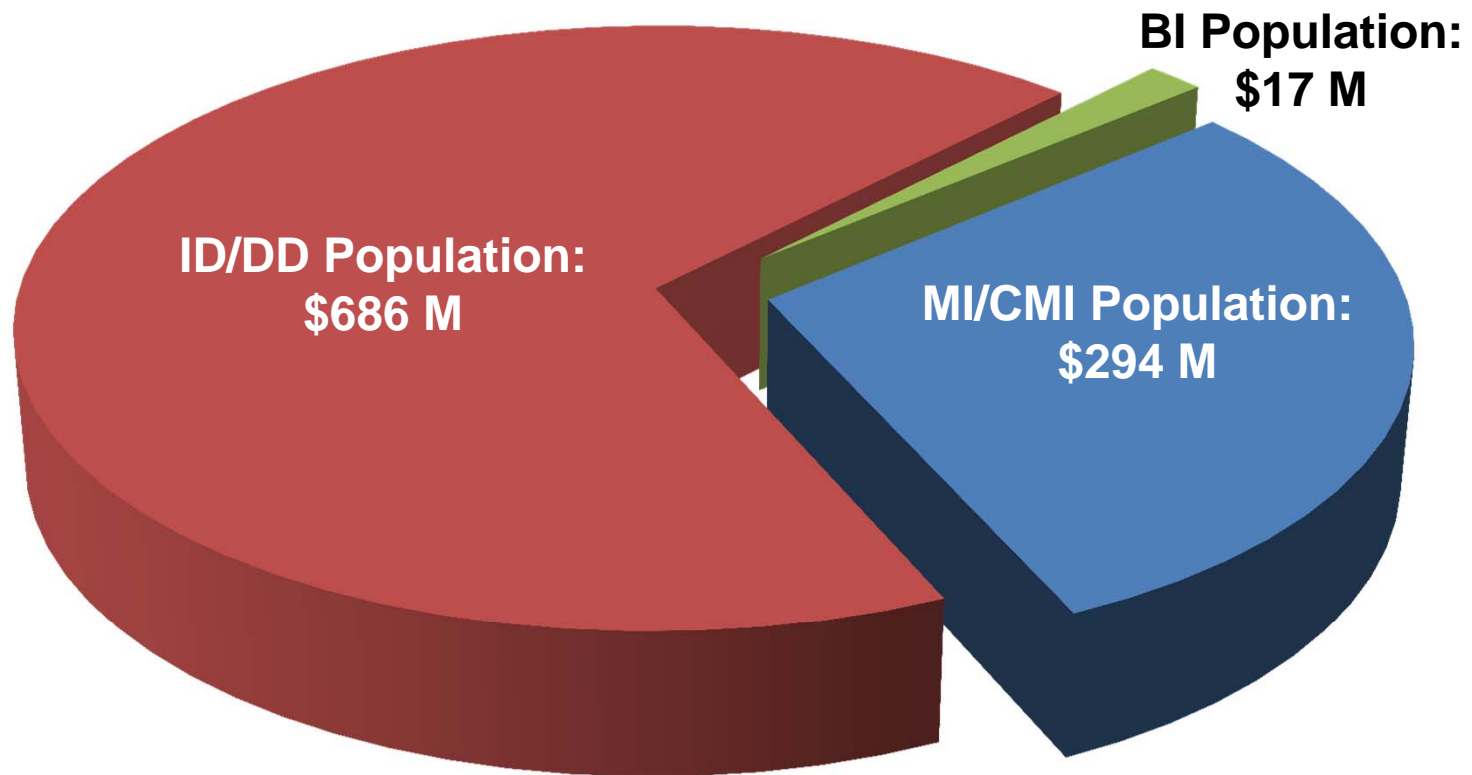
- *Property Tax Relief\**
  - *Replacement Generation Tax\**
- *Growth\**
- *Community Services\**
- *Purchase of Service Rate Increase\**
- *State Payment Program\**
- *Risk Pool\**
- MHI costs for State Cases
- Non federal share for Medicaid services assigned to the state

*\* These funds are allocated to and managed by the counties.*

# County Sources of Funding

- Property Tax
  - The maximum levy limit is the individual county levy as of 1996 or \$125.8M.
    - The maximum levy limit is FY2010 was reduced to \$124,406,065 (because of the Replacement Generation Tax)
  - The total amount levied in FY2010 was about \$122.5M (\$2.9M less than maximum allowed). 81 counties levied 100% of the maximum allowed.
- Public and private miscellaneous funds

# What are the expenditures by population?

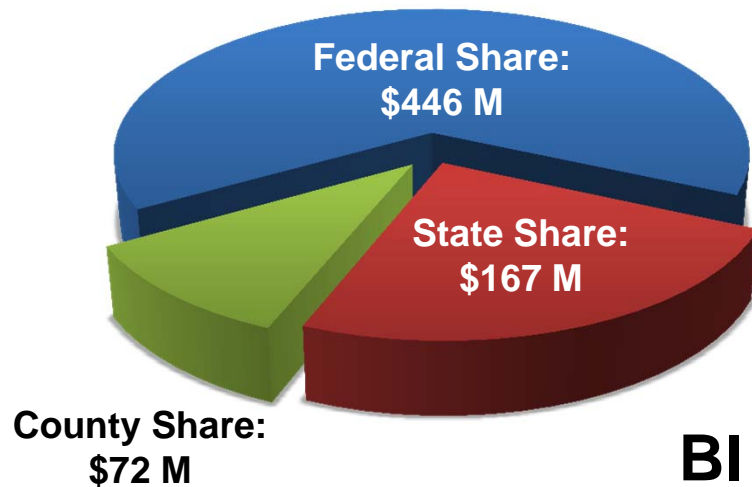


**Total Expenditures: \$997 M\***

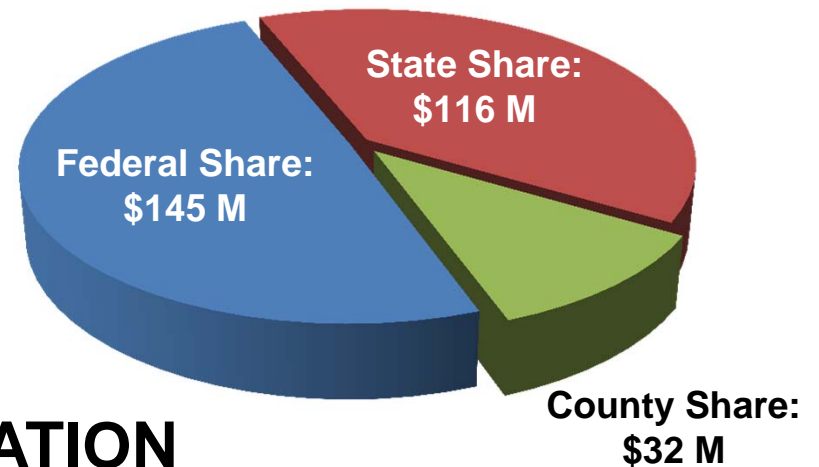
Does not include children's services.

# Funds by Population Served

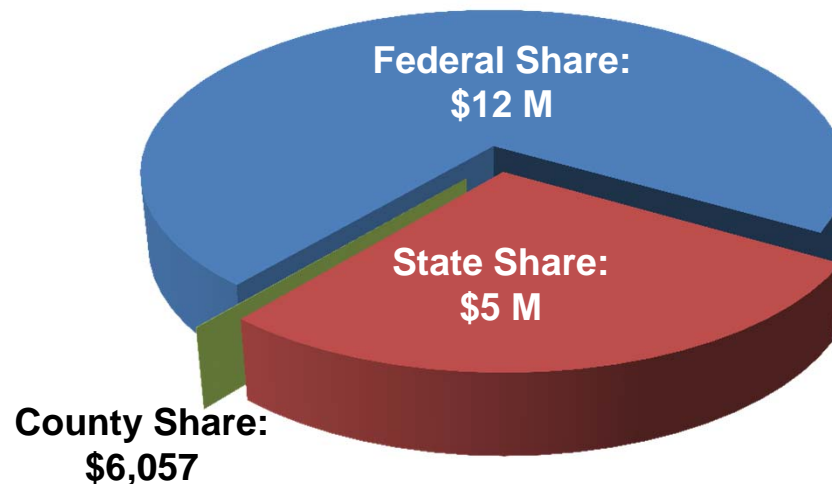
## ID/DD POPULATION



## MI/CMI POPULATION



## BI POPULATION





# What services are provided ?

- Medicaid Services
  - MH services: Outpatient and Inpatient Treatment services, Habilitation services and the SED Waiver for Children
  - ID/DD services: Intermediate Care Facilities for persons with Mental Retardation, the ID and Ill and Handicapped Waivers, Resource Centers, and Money Follows the Person
  - Brain Injury Waiver and Physical Disabilities Wavier
  - Targeted Case Management
- Medicaid services must be available on a statewide basis, have uniform eligibility requirements and are directed by an Approved Medicaid State Plan. States may have waiting list for Waiver services.

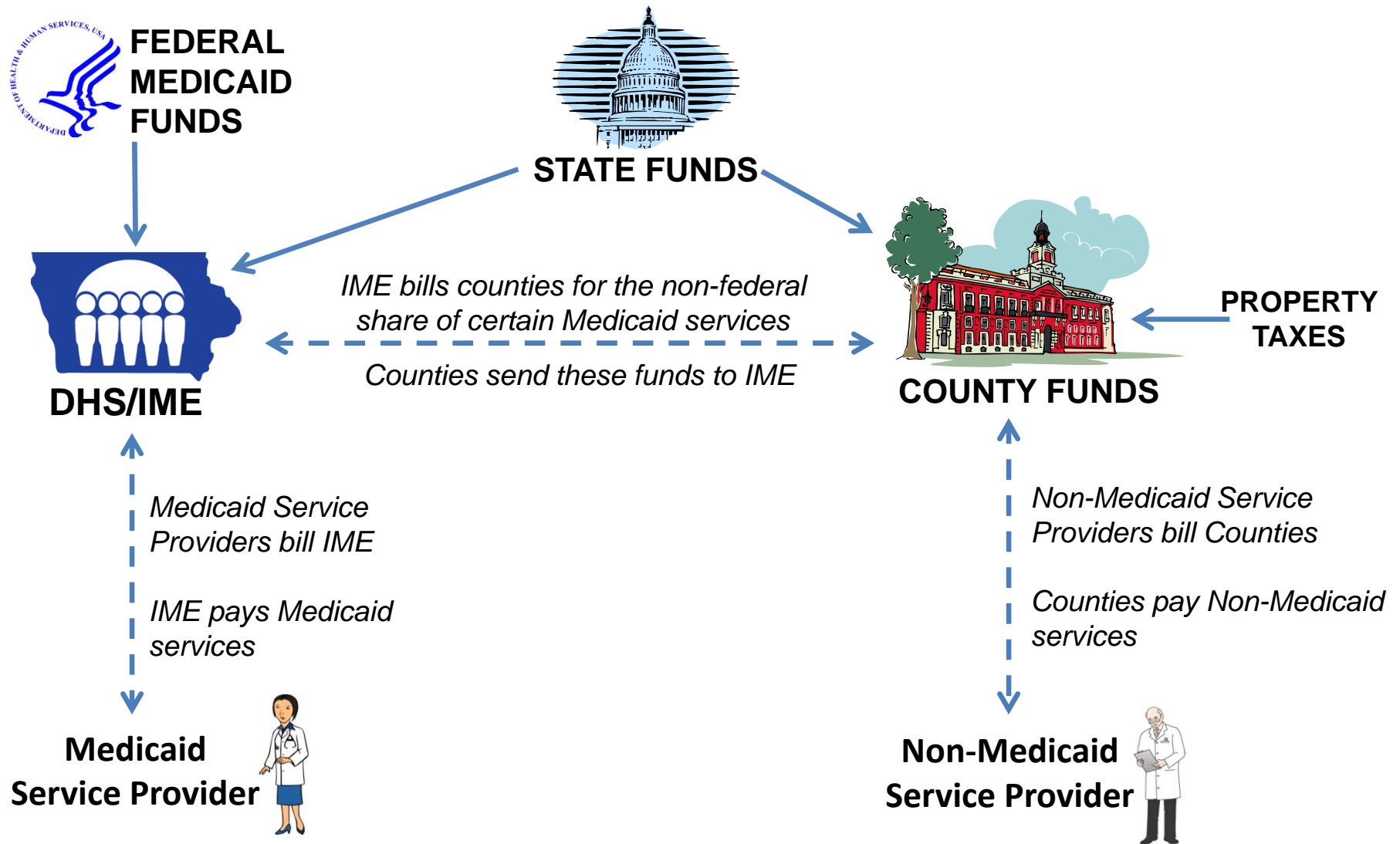
- The State mandates that counties fund:
  - Involuntary commitment services
    - *Evaluation and hospital costs*
    - *Sheriff's transportation*
    - *Attorney fees*
    - *Judicial advocate fees*
  - Voluntary inpatient services at the Mental Health Institutes.
- Counties must pay the non-federal match for certain Medicaid services.
  - ICF/MR adults
  - HCBS/ID adults
  - Habilitation services
  - Nursing Facilities for the adults with MI (ICF/PMI)
  - Targeted Case Management (1/2 non Federal share for ID/DD adults)

- Counties identify services they will provide in their County Management Plan. These services include various types of living arrangements, vocational services, care coordination, state mandated services and treatment services for Medicaid and non-Medicaid eligible persons. In addition the plan outlines the county requirements for eligibility. Counties may have waiting lists for 100% county funded services.

# Who pays for what services?

	Mental Health	ID/DD
Medicaid Services Non-Federal share of required match	DHS pays for services via the Medicaid Appropriation.  The county pays the non-federal share for Habilitation services and a portion of the ICF/PMI services with a combination of property tax and State appropriations.	The county pays the non-federal share with a combination of property tax and State appropriations.
Non-Medicaid Services	The county pays the majority of the services with a combination of property tax and State appropriations.	The county pays the majority of the services with a combination of property tax and State appropriations.

# Service Payment



# What is the right level of state/county funding?

- Several drivers that determine the level of funding:
  - Number of persons who are eligible for service
  - The level and type of service needed
  - The availability of cost effective and best practice
  - The cost of service
- Federal Match Rate for Medicaid Services (as it goes up the non-federal share goes down and vice versa)

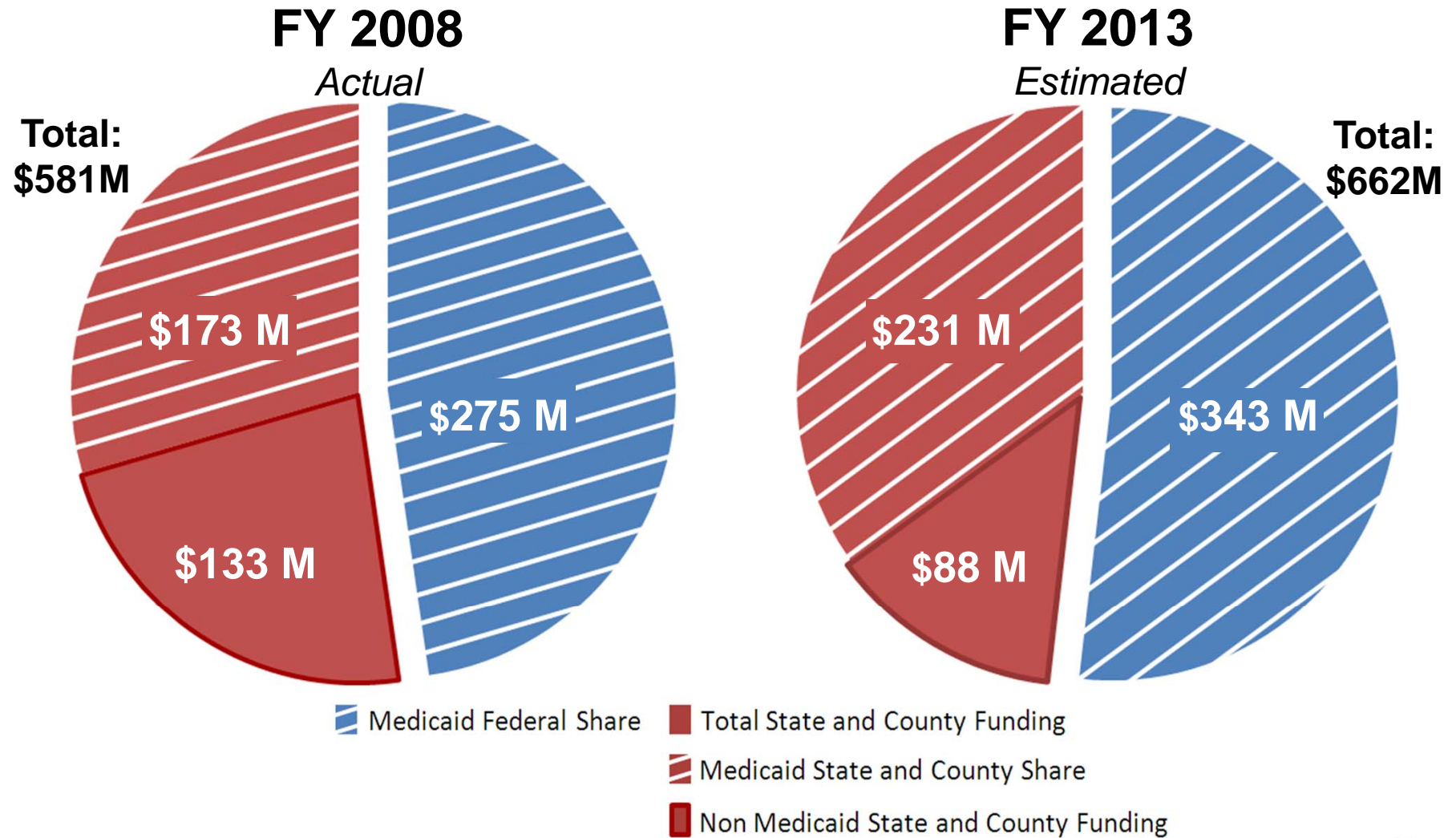
- It is difficult to know the “right” level of funding because...
  - Eligibility requirements have varied.\*
  - There is no statewide use of a single assessment tool to identify service need.
  - There is no consistent standard for what services or levels of service must be provided.
  - There are service gaps. Some services do not exist and some services are provided at varying degrees.
  - There are inconsistencies in data reporting.

\*Statewide minimum financial eligibility has been standardized since 2008. There continues to be differences in diagnostic eligibility.

- In our system there is greater ability to predict the need and impact for Medicaid services versus non-Medicaid services.
- We do know that the trend has been for Medicaid expenditures to increase thereby directly effecting the level of funding for non-Medicaid Services.
- Because General fund money and property tax are fixed, counties have either had to reduce non-Medicaid services or use their fund balances to maintain.



# Medicaid and Non-Medicaid Expenditures



# Year to Year Differences in Non-Medicaid Service Funding

- FY 2008 – FY2009: \$ (850,888)
- FY 2009 – FY2010: \$ 10,313,432
- FY 2010 – FY2011: \$ 10,199,788
- FY 2011 – FY2012: \$ (9,444,092)
- FY 2008 – FY2009: \$(55,959,515)

- Assuming there will be limited or no county fund balances available, if the FY12 levels of General Fund appropriations and property tax levy remain the same, in FY13
  - Counties will spend \$231M for Medicaid services
  - Counties will spend \$87M for non-Medicaid
- For non-Medicaid services this is a
  - 34% reduction from FY08
  - 39% reduction from FY12.
- Based on projections, maintaining FY13 non-Medicaid service level funding at FY12 levels requires \$56M.